

AMENDED IN ASSEMBLY JULY 8, 1999

AMENDED IN SENATE MAY 17, 1999

AMENDED IN SENATE APRIL 20, 1999

AMENDED IN SENATE APRIL 6, 1999

**SENATE BILL**

**No. 932**

**Introduced by Senator Bowen  
(Coauthor: Senator Solis)**

February 25, 1999

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An act to add ~~Section 2889.7~~ *Sections 2889.7, 2889.10, and 2898* to the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 932, as amended, Bowen. Telecommunications: ~~service; notice.~~

~~Under~~

(1) *Under* existing law, the Public Utilities Commission has regulatory authority with respect to telephone corporations. Existing law requires telephone corporations to provide specified customer and subscriber services, including information regarding the provider's identity, service options, pricing, and terms and conditions of service. Existing law requires the commission to impose that service information requirement on all telecommunications providers in the state. Under existing law, the commission may only permit a subscriber's local telephone service to be disconnected for

nonpayment of charges relating to specified telephone services.

This bill would require a telephone corporation that provides a new telephone service or feature to subscribers to mail a specified written notice to each subscriber of that new service or feature, within 2 3 business days of service activation. The bill would require the commission, prior to the offer by a telephone corporation of a new nonsubscription service or feature, to determine, and require the telephone corporation to provide, adequate notice to consumers. The bill, *with certain exceptions*, would authorize a subscriber, *for services purchased by telephone*, within 10 days from the date that the subscriber is mailed such a notice, to request the telephone corporation to suspend the provision of any telephone service or feature described in that notice, and would require the telephone corporation, upon receipt of such a request, to suspend the provision of the specified telephone service or feature. The bill would prohibit a telephone corporation from imposing any charge for the suspension of a telephone service or feature or for a telephone service or feature that a subscriber does not use and has rescinded. The bill, except as specified, would require a telephone corporation to reimburse a subscriber for any charge imposed by that corporation for the inadvertent use of a telephone service or feature.

The bill would require an advertisement for a telecommunications service that includes specified references to disclose information on charges, as prescribed. The bill would require a telecommunications service provider that provides local telephone service to provide that subscriber with a printed alphabetical telephone directory. The bill would prohibit a telecommunications service provider from requiring a subscriber to deposit a sum of money with the telecommunications service provider prior to establishing an account and furnishing *local telephone* service that exceeds a specified amount, ~~or from disconnecting the local telephone service of a subscriber for nonpayment of disputed charges imposed by a third party unless the subscriber has a poor credit history, as determined by the commission.~~ The bill would authorize a telecommunications

~~service provider to require the social security number of a subscriber to establish creditworthiness only if the provider determines that no other reasonable means is available.~~

~~This bill would require the commission to create a means by which a telecommunications service subscriber may compare prices among telecommunications service providers.~~

*The bill would only allow a telecommunications service provider to disconnect the local telephone service of a subscriber for nonpayment of local telephone service charges; would prohibit a telecommunications service provider from declining to provide service if the subscriber declines to provide his or her social security number; would require a telecommunications service provider to allow subscribers the ability to block access to nonessential services and to provide subscribers with information about Caller ID blocking options, as specified. The bill would require the commission to establish rules to require telephone corporations to provide the commission with reports of complaints made by subscribers regarding telephone service. The bill would provide that these described provisions apply to residential and small commercial subscribers, as defined.*

*The bill would prohibit a telephone service provider from including in a residential subscriber contract a provision that prohibits the subscriber from pursuing a judicial remedy, as specified.*

*(2) The Telecommunications Customer Service Act of 1993 requires telephone corporations to provide specified customer services and information to telecommunications customers.*

*This bill would require the commission to develop and administer information on the Internet that offers to telephone service customers on-line access to information about local and long-distance telephone services offered by providers and other consumer information, as prescribed. The bill would prohibit the commission from implementing the above requirement until July 1, 2001, unless otherwise authorized by the Department of Information Technology pursuant to a specified executive order.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2889.7 is added to the Public  
2 Utilities Code, to read:

3 2889.7. (a) A telephone corporation that provides a  
4 new telephone service or feature shall mail to each  
5 subscriber of that service or feature within ~~two~~ *three*  
6 business days of service activation a written notice  
7 describing the price, terms, and conditions of the service  
8 or feature.

9 (b) The commission, prior to the offer by a telephone  
10 corporation of a new nonsubscription service or feature,  
11 shall determine, and shall require the telephone  
12 corporation to provide, adequate notice to consumers.

13 (c) (1) Except as specified in paragraph (2), *for*  
14 *services purchased by telephone*, a subscriber, within 10  
15 days from the date that the subscriber is mailed the notice  
16 required pursuant to subdivision (a), may request the  
17 telephone corporation to suspend the provision of any  
18 telephone service or feature described in that notice. The  
19 telephone corporation, upon receipt of that request, shall  
20 suspend the provision of any telephone service or feature  
21 specified in the request. A telephone corporation may not  
22 impose any charge for the suspension of a telephone  
23 service or feature, or for a telephone service or feature  
24 that a subscriber does not use and has rescinded, pursuant  
25 to this section.

26 (2) This subdivision does not apply in either of the  
27 following circumstances:

28 (A) If a subscriber orders a change in service provider,  
29 or a change in service that requires a telephone  
30 corporation employee to perform work at the premises of  
31 the subscriber.

32 (B) If there is a contract between a telephone  
33 corporation and the subscriber.

34 (d) (1) Except as specified in paragraph (2), a  
35 telephone corporation shall reimburse a subscriber for  
36 any charge imposed by that corporation for the  
37 inadvertent use of a telephone service or feature.

(2) A subscriber shall be entitled to one bill adjustment, upon request, for the inadvertent or unauthorized use of a pay-per-use service or feature. If the subscriber does not order the telephone corporation to suspend the provision of the subject telephone service or feature at the time of a requested bill adjustment, the telephone corporation is not obligated to adjust the bill of the subscriber for any inadvertent or unauthorized use thereafter of the telephone service or feature.

~~(e) The commission shall create a means by which a telecommunications service subscriber may compare prices among telecommunications service providers.~~

~~(f)–~~

(e) An advertisement for a telecommunications service that refers to per-minute rates, free services, or services provided at no charge, shall disclose all underlying charges and restrictions, if any, that will apply if a customer uses that service. For the purpose of this subdivision, the term ‘underlying charges’ does not include any tax or surcharge mandated by local, state, or federal law.

~~(g)–~~

(f) A telecommunications service provider that provides local telephone service to a subscriber shall provide that subscriber with a printed alphabetical telephone directory. ~~At the request of the subscriber, the telecommunications service provider shall provide without charge an alphabetical telephone directory for communities neighboring that of the subscriber.~~

~~(h)–~~

(g) A telecommunications service provider may not require a subscriber to deposit a sum of money with the telecommunications service provider prior to establishing an account and furnishing *local telephone* service that exceeds an amount equal to an average of two months’ *local* telephone service bills *unless the subscriber has a poor credit history, as determined by the commission. If the subscriber has a poor credit history, the subscriber shall have the option of submitting a deposit in an amount that equals not more than an average of two*

1 months of local telephone service charges if the  
2 subscriber accepts restricted toll service. If a subscriber  
3 elects to block access to toll service, the calculation of such  
4 a deposit shall reflect an average based on that exclusion  
5 of toll service costs.

6 ~~(i) A telecommunications service provider may not~~

7 (h) Notwithstanding any other provision of law, a  
8 telecommunications service provider may only  
9 disconnect the local telephone service of a subscriber for  
10 nonpayment disputed of charges imposed by a third  
11 party.

12 ~~(j) A telecommunications service provider may~~  
13 ~~require the social security number of a subscriber to~~  
14 ~~establish creditworthiness only if the provider~~  
15 ~~determines that no other reasonable means of~~  
16 ~~establishing creditworthiness is available. nonpayment of~~  
17 ~~local telephone service charges. Any payment of a~~  
18 ~~telephone bill shall first be credited toward local~~  
19 ~~telephone service charges.~~

20 (i) A telecommunications service provider may not  
21 decline to provide service if the subscriber declines to  
22 provide his or her social security number. A  
23 telecommunications service provider may request the  
24 social security number of a subscriber only after  
25 disclosing to the subscriber that providing the social  
26 security number is optional and not required as a  
27 condition of receiving service.

28 (j) A telecommunications service provider offering  
29 local telephone service shall allow subscribers the ability  
30 to block access to nonessential services. This service shall  
31 be provided without charge the first time it is requested  
32 by the subscriber.

33 (k) A telecommunications service provider shall  
34 provide subscribers with complete and neutral  
35 information about Caller ID blocking options whenever  
36 those options are offered to the subscriber. This  
37 information shall also be included in the annual notice  
38 provided to customers pursuant to Section 786.

39 (l) The commission shall establish rules to require  
40 telephone corporations to provide the commission with

1 reports of complaints made by subscribers regarding  
2 telephone service. The purpose of these reports is to  
3 provide the commission and the public with timely  
4 information regarding the extent and nature of consumer  
5 dissatisfaction.

6 (m) This section only applies to residential and small  
7 commercial subscribers. For the purposes of this section,  
8 “small commercial subscribers” means commercial  
9 customers with not more than five access lines.

10 SEC. 2. Section 2889.10 is added to the Public Utilities  
11 Code, to read:

12 2889.10. No telephone service provider may include  
13 in a residential subscriber contract any provision that  
14 prohibits the subscriber from pursuing a judicial remedy  
15 in connection with the provision of services pursuant to  
16 that contract.

17 SEC. 3. Section 2898 is added to the Public Utilities  
18 Code, to read:

19 2898. (a) The commission shall develop and  
20 administer information on the Internet that offers to  
21 telephone service customers on-line access to  
22 information about local and long-distance telephone  
23 services offered by providers.

24 (b) The commission shall require telephone  
25 corporations, including, but not limited to, those  
26 telephone corporations with more than 50,000 subscribers  
27 in this state, and any other telephone corporations that  
28 wish to participate in the provision of information on the  
29 Internet, to submit information on residential telephone  
30 services in a standardized format. The commission shall  
31 adopt a standard initial format for the submission of  
32 information, and may thereafter alter the format and  
33 other submission requirements as the commission  
34 determines to be necessary to improve convenience and  
35 accuracy, or to meet the technical requirements of the  
36 Internet. Only certificated telephone corporations that  
37 offer telephone service to customers in this state may  
38 participate in the provision of information on the  
39 Internet in accordance with this section.



1 (c) The commission shall maintain and make available  
2 on the Internet a list of certificated telephone  
3 corporations that operate in this state, whether or not  
4 those telephone corporations participate in the provision  
5 of information on the Internet in accordance with this  
6 section.

7 (d) The commission shall include on the Internet  
8 relevant information to alert the public about telephone  
9 corporations that may be attempting to provide local or  
10 long-distance service in the state in an unauthorized or  
11 fraudulent manner.

12 (e) The commission shall require certificated  
13 telephone corporations that participate in the provision  
14 of information on the Internet in accordance with this  
15 section to submit information that may include, but is not  
16 limited to, any of the following information:

17 (1) Prices for various service offerings.

18 (2) Estimated total prices for a variety of standard  
19 customer profiles.

20 (3) Peak and offpeak schedules and designated  
21 holidays.

22 (4) Rate schedules.

23 (5) Service conditions and contract terms.

24 (6) Phone numbers for customer service and  
25 complaints.

26 (7) Information on billing dispute and complaint  
27 resolution procedures.

28 (8) An Internet website address to access the  
29 telephone corporation's own Internet website.

30 (f) The commission shall develop a procedure to  
31 ensure that information on the Internet is updated by  
32 participating telephone corporations.

33 (g) The commission may include the Internet  
34 addresses of participating telephone corporations in  
35 hypertext markup language to facilitate direct access to  
36 information provided by each corporation on the  
37 Internet.

38 (h) The commission shall incur no liability for the  
39 content of information provided by a telephone



1 corporation participating in the provision of information  
2 on the Internet pursuant to this section.

3 (i) The commission may initiate proceedings, issue  
4 orders, and adopt rules and procedures as it determines  
5 to be necessary to further the intent of this section.

6 (j) The commission may direct participating  
7 telephone corporations to modify, add, or delete  
8 information on, or for submission to, the Internet.

9 (k) The commission shall update the information on  
10 the Internet and make any necessary corrections on a  
11 quarterly basis. The date of the latest update made  
12 pursuant to this subdivision shall be displayed on the  
13 Internet.

14 (l) The commission may not implement this section  
15 until July 1, 2001, unless otherwise authorized by the  
16 Department of Information Technology pursuant to  
17 Executive Order D-3-99.

